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TO RUEHC/SECSTATE WASHDC 5611
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RUEHGI/AMEMBASSY BANGUI 1413
RUEHDK/AMEMBASSY DAKAR 1344
RUEHLC/AMEMBASSY LIBREVILLE 1021
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DEPT OF COMMERCE - FOR KAREN BURRESS; DAKAR - FOR FOREIGN
COMMERCIAL SERVICE; PARIS AND LONDON FOR AFRICA WATCHERS

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SUBJECT: GUINNESS TESTS THE WATERS IN CHAD

11. (SBU) SUMMARY: On July 26, Chad's only brewery, Les Brasseries du Tchad (BDT), announced the addition of Guinness to its existing product line. Chad's neighbor, Cameroon, has produced Guinness for years and some Cameroonian Guinness was imported to Chad both legally and clandestinely. By producing Guinness in Chad, BDT will be able to offer the dark beer at a cheaper price than the Cameroonian imports and thereby undercut the contraband supply. BDT's commercial director discussed with econoff BDT's plans for Guinness. He also shared with us general trends for beer consumption in Chad, including increased sales among young adult and Muslim consumers. The ongoing public sector strike and the political instability do not seem to have had a significant effect on beer consumption although lay-offs in the cotton-growing region may dampen sales in southern Chad. END SUMMARY.

A MONOPOLY ON BEER AND SODA

12. (SBU) Les Brasseries du Tchad (BDT) is Chad's only brewery, producing three types of lager beer, a non-alcoholic malt drink, and soda products including Coca Cola. They plan to add bottled water to their products by the end of this year. (Chad currently imports most of its bottled water from Cameroon). It is owned by the French company Castel. Econoff visited BDT's operations in both the capital, N'djamena, and in the southern city of Moundou. The company employs approximately 300 people in Chad.

BEER IN CHAD: A SURE THING

13. (SBU) BDT's commercial director, Djimadoumnodji Servais, said business is generally good in Chad. He said there aren't many other distractions and so, sharing a beer (or soda) with friends is one of the main ways people socialize here. The company sells its products all over the country and is even able to reach the remote sections including Abeche, in eastern Chad. The commercial director noted more and more young adults are drinking beer in Chad, having acquired a taste for it abroad. A significant portion of Chad's Muslim population drinks beer and, he noted, they have a lot of disposable income to spend on it.

14. (SBU) The ongoing public sector strike has had some effect on the demand for beer. (The strike started a few months ago). The BDT public relations director in Moundou said he saw sales decrease somewhat due to the strike as well as due to the recent lay-offs of employees of the cotton company, CotonTchad. These events were unexpected, whereas normal fluctuations in income due to the agricultural seasons are factored into BDT's production and marketing strategies. The commercial director in N'djamena noted employees of the education, health, and military sectors are among the biggest beer consumers. He pointed out, however, the unions for the education and health ministries ended the strike in July and the military never went on strike.

WHY GUINNESS? WHY NOW?

15. (SBU) The BDT commercial director explained the company wanted to add a dark beer to its product line. They did market surveys and decided it would be profitable to start producing Guinness locally, rather than continue to import it from Cameroon. Some Cameroonian-produced Guinness is still in stock in Chad and so BDT will gradually increase its production. For the last three days of July, when Chadian Guinness was first sold, it represented only 3 per cent of BDT's sales. It is too soon to know how August's sales figures will compare. However, on a recent afternoon at one of N'djamena's most popular Sunday afternoon spots ("La Plantation"), Guinness bottles could be spotted at almost every table. A bottle of Guinness sells for 700 CFA francs (approximately US\$ 1.50) in most bars in N'djamena while the price can double or triple in upscale hotels. For now, BDT is selling Guinness only in N'djamena to give the new brand a

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